

§ 58-30-10. Definitions.

For the purposes of this Article only:

- (1) Alien country. – Any other jurisdiction not in any state.
- (2) Ancillary state. – Any state other than a domiciliary state.
- (3) Court. – The Superior Court of Wake County.
- (4) Creditor. – A person having any claim, whether matured or unmatured, liquidated or unliquidated, secured or unsecured, absolute, fixed, or contingent.
- (5) Delinquency proceeding. – Any proceeding instituted against an insurer for the purpose of supervising, rehabilitating, conserving, or liquidating such insurer.
- (6) Doing business. – Includes any of the following acts by insurers, whether effected by mail or otherwise:
 - a. The issuance or delivery of contracts of insurance to persons resident in this State;
 - b. The solicitation of applications for such contracts, or other negotiations preliminary to the execution of such contracts;
 - c. The collection of premiums, membership fees, assessments, or other consideration for such contracts;
 - d. The transaction of matters subsequent to execution of such contracts and arising out of them;
 - e. Operating as an insurer under a license issued by the Department; or
 - f. The purchase of contracts of insurance issued to persons in this State by an assumption agreement.
- (7) Domestic guaranty association. – The Postassessment Insurance Guaranty Association in Article 48 of this Chapter, as amended; the North Carolina Self-Insurance Security Association in Article 4 of Chapter 97 of the General Statutes; the Life and Accident and Health Insurance Guaranty Association in Article 62 of this Chapter, as amended; or any other similar entity hereafter created by the General Assembly for the payment of claims of insolvent insurers.
- (8) Domiciliary state. – The state in which an insurer is incorporated or organized; or, in the case of an alien insurer, its state of entry.
- (9) Fair consideration. – When given for property or obligation means either of the following:
 - a. In exchange for such property or obligation, as a fair equivalent therefor, and in good faith, property is conveyed or services are rendered or an obligation is incurred or an antecedent debt is satisfied.
 - b. Such property or obligation is received in good faith to secure a present advance or antecedent debt in amount not disproportionately small as compared to the value of the property or obligation obtained.
- (9a) Federal home loan bank. – A federal home loan bank as defined and established under the federal Home Loan Bank Act, 12 U.S.C. § 1421, et seq.
- (10) Foreign guaranty association. – A guaranty association now in existence in or hereafter created by the legislature of any other state.
- (11) Formal delinquency proceeding. – Any liquidation or rehabilitation proceeding.

- (12) General assets. – All real, personal, or other property that is not specifically mortgaged, pledged, hypothecated, deposited, or otherwise encumbered for the security or benefit of specified persons or classes of persons. As to specifically encumbered property, "general assets" includes all such property or its proceeds in excess of the amount necessary to discharge the sum or sums secured thereby. Assets that are held in trust and on deposit for the security or benefit of all policyholders in more than one state or all policyholders and creditors in more than one state shall be treated as "general assets". No person shall have a claim against general assets unless that claim is in an amount in excess of fifty dollars (\$50.00).
- (13) Insolvency or insolvent. – An insurer is unable to pay its obligations when they are due, or that its admitted assets do not exceed its liabilities plus the greater of (i) any capital and surplus required by law for its organization; or (ii) the total par or stated value of its authorized and issued capital stock. For the purposes of this subdivision, "liabilities" includes reserves required by statute, by Department rules, or by specific requirements imposed by the Commissioner upon a subject company at the time of admission or subsequent thereto, except those reserves that are an allocation of surplus as specified in G.S. 58-65-95.
- (14) Insurer. – An entity that is or should be licensed under Articles 7, 16, 26, 47, 49, 64, 65, or 67 of this Chapter.
- (14a) Insurer-member. – An insurer that is a member of a federal home loan bank.
- (15) Preferred claim. – Any claim with respect to which the provisions of this Article accord priority of payment from the general assets of the insurer.
- (16) Receiver. – Includes a liquidator, rehabilitator, or conservator, as the context requires.
- (17) Reciprocal state. – Any state other than this State in which in substance and effect the provisions of G.S. 58-30-105(a), 58-30-270, 58-30-275, and 58-30-285 through 58-30-295 are in force, and in which provisions are in force requiring that the insurance regulator of that state be the receiver of a delinquent insurer; and in which provisions exist for the avoidance of fraudulent conveyances and preferential transfers.
- (18) Secured claim. – Any claim secured by mortgage, trust deed, pledge, deposit as security, escrow, or otherwise; and includes any claim that has become a lien upon specific assets by reason of judicial process. "Secured claim" does not include a special deposit claim or a claim against general assets.
- (19) Special deposit claim. – Any claim in excess of fifty dollars (\$50.00) secured by a deposit made pursuant to statute for the security or benefit of a limited class or classes of persons, but does not include any claim secured by general assets.
- (20) Transfer. – Includes the sale and every other and different mode, whether direct or indirect, of disposing of or of parting with property, an interest therein, or the possession thereof; or of voluntarily fixing a lien upon property or an interest therein, whether absolutely or conditionally, by or without judicial proceedings. The retention of a security title to property delivered to a debtor is a transfer suffered by the debtor. (1989, c. 452, s. 1; 1995, c. 471, ss. 4, 5; 1995 (Reg. Sess., 1996), c. 582, s. 2; c. 742, s. 24; 1999-132, ss. 2.1, 7.3, 9.1; 1999-294, s. 11(a), (b); 2000-140, s. 13; 2001-223, ss. 24.2, 24.3; 2001-487, s. 103(a); 2005-400, s. 18; 2007-127, s. 9; 2017-164, s. 1(a).)